STATE WATER RESOURCES CONTROL BOARD BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE JUNE 5, 2018

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION TO ALLOCATE UP TO \$508,018 IN ADDITIONAL FUNDS FROM THE CLEANUP AND ABATEMENT ACCOUNT (CAA) TO THE UNIVERSITY OF CALIFORNIA, LOS ANGELES (UCLA) FOR THE DISTRIBUTED SMART WATER TREATMENT (DSWT) SYSTEM FOR DISADVANTAGED COMMUNITIES PILOT STUDY (PROJECT)

DISCUSSION

In 2013, UCLA proposed the Project to address nitrate contamination in small, rural disadvantaged communities (DACs). The proposed DSWT systems are remotely-controlled water treatment systems that are based on reverse-osmosis technology. UCLA seeks to demonstrate reduced operations and maintenance costs by remotely monitoring and operating a cluster of DSWT systems.

Phase I of the Project, for which UCLA received approximately \$100,000 from the CAA, evaluated suitable pilot sites in the Salinas Valley and Tulare Lake Basin. Funding for Phase II of the Project was approved by State Water Resources Control Board (State Water Board) Resolution No. 2015-0001, wherein \$2,000,000 was allocated from the CAA for outreach, permitting, design, construction, and approximately three years operation of DSWT systems at up to four DACs impacted by nitrate (at concentrations above the Maximum Contaminant Level). Phase II also includes development and implementation of a governance structure for long-term DSWT system operations within the DACs selected for the Project.

The Project has encountered delays related to the challenges of determining appropriate requirements for the discharge of nitrate-rich effluent to the septic systems located at each of the three selected pilot sites. After significant coordination on this issue, the Central Coast Regional Quality Control Board (Central Coast Water Board) asked UCLA to adhere to a separate Monitoring and Reporting Program (MRP) for each selected pilot site.

The State Water Board's Division of Drinking Water (DDW) reviewed preliminary schematics of the DSWT systems and asked UCLA to implement additional water quality monitoring and treatment protocols at each Project site to help ensure that the Project will comply with Monterey County Environmental Health Department's drinking water permit requirements. One of these requirements includes installation of real-time nitrate sensors.

In response to the delays and unforeseen requirements, UCLA has requested an additional \$508,018 to complete the Project, and an extension of the Project completion date from late 2019 to late 2021.

The proposed allocation of additional funding from the CAA for the Project is consistent with the purposes of <u>section 13442 of the Water Code</u>. Section 13442 provides that the State Water Board may approve the payment of moneys from the CAA to a public agency to address an urgent drinking water need without regard to whether the need for drinking water is a result of the discharge of waste.

POLICY ISSUE

Should the State Water Board:

- 1. Approve the additional allocation of up to \$508,018 in grant funds from the CAA for the Project, to augment the \$2,000,000 in CAA grant funds originally approved for the Project?
- 2. Authorize the Deputy Director of the Division of Financial Assistance (DFA) to execute grant agreements, and amendments thereto, with UCLA for the Project?
- 3. Make the funds allocated for the Project, totaling up to \$2,508,018, available until June 30, 2022, with any unexpended funds reverting to the CAA as of September 30, 2022, unless the Deputy Director or Assistant Deputy Director of the DFA authorizes an extension?

FISCAL IMPACT

CAA cash balances are adequate to cover projected Project expenditures.

REGIONAL WATER BOARD/DISTRICT OFFICE IMPACT

The DDW District Offices and the Central Coast Water Board are supportive of the Project.

HUMAN RIGHT TO WATER ANALYSIS

The actions proposed under this item are consistent with the established policy of the State recognizing the human right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes (human right to water; Water Code section 106.3). The proposed actions are also consistent with Resolution No. 2016-0010, in which the State Water Board adopted the human right to water as a core value and top priority. The Project may demonstrate that DSWT systems are a viable alternative to physical consolidation for small, rural DACs. Even if the Project fails to demonstrate a viable long-term solution for these communities, data collected will still be useful in considering new strategies to address the Human Right to Water.

STAFF RECOMMENDATION

Staff recommends that the State Water Board adopt the proposed Resolution.

State Water Board action on this item will assist the Water Boards in reaching Goal 4 of the Strategic Plan Update: 2008-2012, to comprehensively address water quality protection and restoration, and the relationship between water supply and water quality, and describe the connections between water quality, water quantity, and climate change, throughout California's water planning processes.